



US Department of
Transportation

Office of the Secretary
of Transportation

GENERAL COUNSEL

400 Seventh St., S.W.
Washington, D.C. 20590

FEB 17 2000

73210

OST-99-6410-42

Mr. Philip Petrulli
President
Holiday Travel International
12239 U.S. Route 30
North Huntingdon, PA 15642

Dear Mr. Petrulli:

Secretary Slater has asked me to respond to your letter in support of the formal complaint that the American Society of Travel Agents (ASTA) has recently filed with this Department against a number of airlines (Docket OST-99-6410). ASTA alleges that in cutting the commissions that they pay travel agents, the airlines are engaging in unfair practices and unfair methods of competition in violation of 49 U.S.C. §41712.

The airlines filed their responses to ASTA's complaint on December 10. It is now up to the Enforcement Office to review the complaint and responses and determine whether, under our statute, the complaint should be pursued or dismissed. Under these circumstances, it would be inappropriate for me to comment on the substance of your letter. You can track the pleadings as well as the Department's actions through our Dockets web site at <http://dms.dot.gov>. Clicking on "search" and then typing "6410" in the space for the docket number and again clicking on "search" will bring up a list of all documents in the docket. Each item can be opened.

The Department's *ex parte* rules, 14 CFR Part 300, require that I place your letter and a copy of this reply in Docket OST-99-6410. Please be assured that ASTA's complaint will receive careful and thorough consideration.

Sincerely,


Samuel Podberesky
Assistant General Counsel for
Aviation Enforcement and Proceedings

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FEB 29 11:12:11
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OF TRANSPORTATION

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The Honorable Rodney E. Slater
United States Secretary of Transportation
400 Seventh Street, SW
Washington, **DC** 20590

Dear Mr. Slater:

Please help us to save the travel agency business. Travel agents who provide consumers with the last, best hope for getting neutral, professional information and advice about travel service options are being forced out of business by unfair airline competition.

As you know, my association, the American Society of Travel Agents (ASTA), has filed a complaint against the major airlines charging them with unfair practices and unfair methods of competition in air transportation and the sale of air transportation, in violation of 49 U.S.C. 41712. That complaint specifies, in detail, how the airlines are destroying the travel agency business by setting agents' compensation below the cost of doing business, while at the same time, driving up agents' costs with unnecessary and anti-competitive requirements.

If the airlines were to succeed in eliminating travel agents from the marketplace, it will be much harder for the public to learn about all the different fare and service options available to them. On the whole, this will increase the likelihood that consumers will spend more for air travel than they otherwise would.

ASTA has asked you to order the airlines to stop their unfair practices and unfair methods or competition. We do not request this relief lightly. But we also know that not granting the relief we seek will have grave consequence. At issue are whether or not travel agencies, which have served the public necessity and convenience since the dawn of commercial aviation, will survive to ensure consumer protection of the unfair gouging practices of the airlines.

Through three previous reductions in compensation rates, travel agents have not before asked you to use your statutory powers to intervene directly. Now we must ask you to step up and intervene on behalf of the 29,000 travel agencies in the United States.

Sincerely,

Philip Petrulli
President Holiday Travel International